WHARF

Established 1886

WHARF REAL ESTATE INVESTMENT COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1997

Interim Results Announcement
for the half-year period ended 30 June 2025

De-Leveraging Continues While Asset Value Falls

HIGHLIGHTS

- Investment Properties ("IP") revenue and operating profit slipped
- Borrowing cost decreased by 27%, with gearing at 17.6% new low
- Underlying Net Profit ("UNP") stable and healthy
- IP revaluation deficit widened but unrealised and non-cash
- Interim dividend per share increased on application of consistent dividend policy

GROUP RESULTS

Unaudited UNP was stable at HK$3,119 million (2024: HK$3,123 million), equivalent to HK$1.03 (2024: HK$1.03) per share.

Including a net IP revaluation deficit of HK$5,118 million (2024: HK$4,426 million), Group loss attributable to equity shareholders amounted to HK$2,406 million (2024: HK$1,052 million). Basic loss per share was HK$0.79 (2024: HK$0.35).

INTERIM DIVIDEND

A first interim dividend of HK$0.66 (2024: HK$0.64) per share will be paid on 11 September 2025 to Shareholders on record as at 6:00 p.m. on 27 August 2025. The distribution will amount to HK$2,004 million (2024: HK$1,943 million), representing 65% of underlying net profit from IP and hotels in Hong Kong.

BUSINESS REVIEW

Geopolitical tension, serious disruption to world trade, and uncertainties about the direction of interest rate and the economy cast a long shadow on real markets during the period.

In Hong Kong, the government stepped up the promotion of major events. Inbound visitor numbers showed sequential improvement, increasing by 12%. Local outbound displayed signs of stabilisation. Hong Kong's retail sales decline narrowed and ended a 14-month downward trend with tentative positive growth in May and June. In response to evolving travel and spending patterns, the Group actively enhanced experiential retail offerings to deepen shopper engagement and drive sales.

While the office sector remained challenging due to a convergence of weak demand and oversupply, the Group's portfolio delivered a respectable performance, driven by occupancy improvement. Hotel occupancies grew, although room rates faced pressure from regional competition and consumer sentiment.

In a soft market for asset value, the Group reported a revaluation deficit for investment properties.

To navigate these volatile conditions, the Group maintained prudent financial management practices. Net debt was further reduced to HK$33.3 billion at period-end, representing the lowest level since listing. Borrowing costs fell by 27%, resulting from a lower average interest cost of 4.4%. Gearing remained healthy at 17.6%.

Harbour City

Overall revenue and operating profit (including hotels) changed by less than 1%.

Retail

Harbour City leveraged its unparallelled critical mass, strategic location and brand equity to attract premium brands seeking expansion, Hong Kong debut, and innovative retail concept. *Louis Vuitton* expanded its Hong Kong flagship store to four-storey, adding a dedicated level for VIP services. The tenant mix was further enriched by Hong Kong debuts including *Canali* and *Locanda Canali*'s first café-retail concept store, *Urban Revivo* Hong Kong flagship store, and *Bacha Coffee*'s first full-concept store featuring all-day dining. Occupancy was 93% at period-end.

Office

The strategic location and appeal of Harbour City's mixed-use complex attract interest from diverse businesses sectors, including insurance and finance. Anticipating upcoming new supply increases, the Group continuously implemented premises improvement to enhance competitiveness. Occupancy was maintained at 90% at period-end, though cost-conscious tenants and abundant market options continued to weigh on rental rates.

Times Square
Overall revenue decreased by 15% and operating profit by 19%.

Retail
Times Square has been undergoing active rejuvenation of tenant mix to curate distinctive brand offerings and to deliver unique shopper experiences. The luxury cluster was enriched by the opening of *Louis Vuitton* and expansion of *LOEWE*. The world's first *CR7® LIFE* merchandise store, branded under football superstar Cristiano Ronaldo, will debut this year. New F&B concepts will be introduced at the basement floor. Occupancy increased to 96% at period-end.

Office
Leasing demand remained predominantly focused on smaller units amid economic challenges. New supply in Causeway Bay intensified competition and pressured rental rates. The Group's proactive and effective leasing strategy reinforced the tenant base, especially in technology and finance sectors. Occupancy was maintained at 90% at period-end.

OUTLOOK

Despite escalating geopolitical tensions and unforeseen economic challenges, Hong Kong's stock market has regained its upward momentum, supported by increasing capital inflows. That signal renewed vitality in the financial sector. If Hong Kong dollar maintains its competitive position and HIBOR remains low, these conditions could fuel broader economic momentum and foster improved consumer sentiment.

Furthermore, the opening of Kai Tak Sports Park, along with a robust calendar of major events throughout the year, is expected to enhance Hong Kong's attractiveness to tourists.

The Group will maintain proactive management strategies and low leverage to effectively navigate macroeconomic headwinds. Capital investment remains highly selective and the solid cash flow and liquid position provide decisive and timing advantages if opportunity arises.

FINANCIAL REVIEW

(I) Review of 2025 Interim Results

Underlying net profit was stable at HK$3,119 million (2024: HK$3,123 million). Loss attributable to equity shareholders amounted to HK$2,406 million (2024: HK$1,052 million), after including a larger net revaluation deficit of IP.

Revenue and Operating Profit

Group revenue decreased by 1% to HK$6,407 million (2024: HK$6,501 million) and operating profit by 5% to HK$4,684 million (2024: HK$4,915 million).

IP revenue decreased by 3% to HK$5,371 million (2024: HK$5,542 million) and operating profit by 4% to HK$4,528 million (2024: HK$4,718 million).

Hotel revenue increased by 2% to HK$766 million (2024: HK$748 million) and operating profit increased to HK$47 million (2024: HK$24 million).

Development Properties ("DP") revenue amounted to HK$58 million (2024: HK$8 million) and an operating loss of HK$1 million was reported (2024: profit of HK$74 million).

Investment operating profit, primarily from dividend income, increased by 2% to HK$143 million (2024: HK$140 million).

Fair Value Change of IP

IP assets were stated at HK$217.2 billion based on independent valuations, giving rise to a revaluation deficit of 2% at HK$5,150 million. Unrealised valuation loss attributable to equity shareholders, net of non-controlling interests, was HK$5,118 million (2024: HK$4,426 million).

Other Net (Loss)/Income

Other net loss amounted to HK$373 million (2024: income of HK$70 million), which mainly comprised net foreign exchange loss or gain, including the impact arising from forward foreign exchange contracts in currency swaps in financing arrangements.

Finance Costs

Finance costs amounted to HK$853 million (2024: HK$882 million) after including an unrealised mark-to-market loss of HK$74 million (2024: gain of HK$189 million) on cross currency and interest rate swaps in accordance with the applicable accounting standards.

Effective borrowing rate dropped to 4.4% (2024: 5.7%) primarily due to lower HIBOR.

Income Tax

Taxation charge increased by 3% to HK$628 million (2024: HK$607 million).

Loss Attributable to Equity Shareholders

Group loss attributable to equity shareholders amounted to HK$2,406 million (2024: HK$1,052 million). Basic loss per share was HK$0.79 (2024: HK$0.35), based on 3,036 million ordinary shares in issue.

Underlying net profit (excluding the impact of IP valuation and mark-to-market of certain financial instruments) was stable at HK$3,119 million (2024: HK$3,123 million). Underlying earnings per share were HK$1.03 (2024: HK$1.03).

(II) Liquidity, Financial Resources and Capital Commitments

Shareholders' and Total Equity

Shareholders' equity decreased by HK$2.6 billion to HK$185.2 billion as at 30 June 2025 (31 December 2024: HK$187.8 billion), equivalent to HK$61.01 (31 December 2024: HK$61.86) per share. Total equity including non-controlling interests decreased by HK$2.5 billion to HK$189.5 billion (31 December 2024: HK$192.0 billion).

Assets

Total assets amounted to HK$234.2 billion (31 December 2024: HK$238.1 billion), 94% (31 December 2024: 95%) of which in Hong Kong. Total business assets, excluding bank deposits and cash and derivative financial assets, were HK$232.5 billion (31 December 2024: HK$236.3 billion).

IP

IP totalled HK$217.2 billion (31 December 2024: HK$221.8 billion), representing 93% (31 December 2024: 94%) of business assets. Harbour City (excluding the three hotels) was valued at HK$149.8 billion and Times Square at HK$42.0 billion.

Hotels

Hotel properties were stated at cost less accumulated depreciation and impairment (if any) at HK$6.8 billion (31 December 2024: HK$6.9 billion).

DP

DP assets, including interests in an associate and a joint venture, were stated at cost less accumulated impairment (if any) at HK$1.0 billion (31 December 2024: HK$1.3 billion).

Other Long Term Investments

Other long term investments were stated at market value of HK$6.5 billion (31 December 2024: HK$5.3 billion). An attributable mark-to-market surplus of HK$1,055 million (2024: deficit of HK$795 million) was reflected in other comprehensive income. The portfolio included blue chips held for long term capital appreciation and reasonable dividend return and each portfolio holding is individually not material to the Group's total assets.

The Group's investment portfolio analysed by industry sector and by geographical location as below:

	30 June 2025 HK$ Million	31 December 2024 HK$ Million
Analysed by industry sector:		
- Properties	**6,092**	5,000
- Others	**418**	334
Total	**6,510**	5,334
Analysed by geographical location:		
- Hong Kong	**3,455**	2,920
- Outside of Hong Kong	**3,055**	2,414
Total	**6,510**	5,334

Debts and Gearing

Net debt decreased by HK$0.9 billion to HK$33.3 billion as at 30 June 2025 (31 December 2024: HK$34.2 billion). It comprised debts of HK$34.7 billion and bank deposits and cash of HK$1.4 billion.

An analysis of net debt is depicted below:

Net debt/(cash)	**30 June 2025 HK$ Billion**	31 December 2024 HK$ Billion
Group (excluding HCDL)	**33.5**	34.3
HCDL	**(0.2)**	(0.1)
Total	**33.3**	34.2

The ratio of net debt to total equity dropped to 17.6% (31 December 2024: 17.8%).

Listed HCDL (Harbour Centre Development Limited) is an independent credit entity and the Group (excluding HCDL) is not contractually exposed to HCDL's debts. HCDL recorded net cash at 30 June 2025.

Finance and Availability of Facilities

Total available loan facilities and issued debt securities as at 30 June 2025 amounted to HK$44.1 billion, of which HK$34.7 billion was utilised. The breakdown is depicted below:

	30 June 2025		
	Available Facility HK$ Billion	**Total Debt HK$ Billion**	**Undrawn Facility HK$ Billion**
Committed and uncommitted			
Group (excluding HCDL)	42.8	34.3	8.5
HCDL	1.3	0.4	0.9
Total	44.1	34.7	9.4

Certain banking facilities extended to HCDL were secured by hotel and DP in the Mainland of RMB1.2 billion (equivalent to HK$1.3 billion) (31 December 2024: RMB1.2 billion (equivalent to HK$1.3 billion)).

The debt portfolio was principally denominated in United States dollar, Hong Kong dollar, Singapore dollar and Renminbi ("RMB"). The respective funds were mainly used to finance the Group's IP.

The use of derivative financial instruments is strictly monitored and controlled. The majority of the derivative financial instruments entered into are used for mitigating interest rate and currency exposures.

The Group continued to adhere to a high level of financial discipline with a strong financial position. Financial resources are well prepared to support business and investment activities. In addition, the Group also maintained a portfolio of liquid listed investments with an aggregate market value of HK$6.5 billion (31 December 2024: HK$5.3 billion).

Cash Flows for the Group's Operating and Investing Activities

For the period under review, the Group recorded operating cash inflow of HK$4.6 billion (2024: HK$4.9 billion) primarily generated from rental income. Together with the changes in working capital and others of HK$1.3 billion (2024: HK$1.6 billion), the net cash inflow from operating activities amounted to HK$3.4 billion (2024: HK$3.3 billion). For investing activities, the Group recorded a net cash ouflow of HK$1 million (2024: HK$66 million).

Capital Commitments

As at 30 June 2025, major planned expenditures for the coming years were estimated at HK$0.9 billion, of which HK$0.2 billion was committed. A breakdown (by segment) is as follows:

	As at 30 June 2025		
	Committed HK$ Million	**Uncommitted HK$ Million**	**Total HK$ Million**
IP			
Hong Kong	76	563	639
DP			
Mainland China	145	133	278
	221	696	917
Hotels			
Hong Kong	19	-	19
Total	240	696	936

These expenditures will be funded by internal financial resources, including existing cash and surplus from operations, as well as bank loans and other borrowings. Other available resources include monetisation of the Group's equity investments.

Included in the above are HCDL's expenditures totaling HK$0.3 billion, which will be funded by its own financial resources.

(III) Human Resources

The Group had approximately 2,900 employees as at 30 June 2025. Employees are remunerated according to job responsibilities and market pay trend with a discretionary annual performance bonus as variable pay for rewarding individual performance and contributions to the Group's achievement and results.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the six months ended 30 June 2025 - Unaudited

	Note	**Six months ended 30 June 2025 HK$ Million**	2024 HK$ Million
Revenue	2	**6,407**	6,501
Direct costs and operating expenses		**(1,352)**	(1,202)
Selling and marketing expenses		**(119)**	(119)
Administrative and corporate expenses		**(135)**	(145)
Operating profit before depreciation, amortisation, interest and tax		**4,801**	5,035
Depreciation and amortisation		**(117)**	(120)
Operating profit	2 & 3	**4,684**	4,915
Decrease in fair value of investment properties		**(5,150)**	(4,450)
Other net (loss)/income	4	**(373)**	70
		(839)	535
Finance costs	5	**(853)**	(882)
Share of results after tax of an associate		**(155)**	(113)
Loss before taxation		**(1,847)**	(460)
Income tax	6	**(628)**	(607)
Loss for the period		**(2,475)**	(1,067)
Loss attributable to:			
Shareholders of the Company		**(2,406)**	(1,052)
Non-controlling interests		**(69)**	(15)
		(2,475)	(1,067)
Loss per share	7		
Basic		**(HK$0.79)**	(HK$0.35)
Diluted		**(HK$0.79)**	(HK$0.35)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2025 - Unaudited

	Six months ended 30 June	
	2025	2024
	HK$ Million	HK$ Million
Loss for the period	**(2,475)**	(1,067)
Other comprehensive income		
Item that will not be reclassified to profit or loss:		
Fair value changes on equity investments at fair value through other comprehensive income	**1,225**	(915)
Items that may be reclassified subsequently to profit or loss:		
Exchange difference on translation of subsidiaries outside Hong Kong	**575**	(205)
Share of other comprehensive income of an associate and joint ventures	**3**	(4)
Others	**3**	1
Other comprehensive income for the period	**1,806**	(1,123)
Total comprehensive income for the period	**(669)**	(2,190)
Total comprehensive income attributable to:		
Shareholders of the Company	**(777)**	(2,052)
Non-controlling interests	**108**	(138)
	(669)	(2,190)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2025 – Unaudited

	Note	**30 June 2025 HK$ Million**	31 December 2024 HK$ Million
Non-current assets			
Investment properties		**217,217**	221,776
Hotel and club properties, plant and equipment		**7,022**	7,116
Interest in an associate		**175**	326
Interest in a joint venture		**9**	10
Other long term investments		**6,510**	5,334
Derivative financial assets		**84**	185
Other non-current assets		**67**	61
		231,084	234,808
Current assets			
Properties for sale		**859**	932
Inventories		**17**	17
Trade and other receivables	9	**885**	995
Prepaid tax		**1**	-
Derivative financial assets		**1**	12
Bank deposits and cash		**1,372**	1,308
		3,135	3,264
Total assets		**234,219**	238,072
Non-current liabilities			
Derivative financial liabilities		**(1,250)**	(1,737)
Deferred tax liabilities		**(2,567)**	(2,549)
Other deferred liabilities		**(361)**	(358)
Bank loans and other borrowings		**(25,608)**	(24,739)
		(29,786)	(29,383)
Current liabilities			
Trade and other payables	10	**(5,032)**	(5,371)
Pre-sale deposits and proceeds		**(5)**	(35)
Derivative financial liabilities		**(87)**	(120)
Taxation payable		**(700)**	(380)
Bank loans and other borrowings		**(9,118)**	(10,799)
		(14,942)	(16,705)
Total liabilities		**(44,728)**	(46,088)
NET ASSETS		**189,491**	191,984
Capital and reserves			
Share capital		**304**	304
Reserves		**184,925**	187,516
Shareholders' equity		**185,229**	187,820
Non-controlling interests		**4,262**	4,164
TOTAL EQUITY		**189,491**	191,984

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1. MATERIAL ACCOUNTING POLICIES AND BASIS OF PREPARATION

This unaudited interim financial information has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, Interim Financial Reporting ("HKAS 34"), issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The preparation of the unaudited interim financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

The unaudited interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the annual financial statements for the year ended 31 December 2024. The unaudited interim financial information and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The accounting policies and methods of computation used in the preparation of the unaudited interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2024 except for the changes mentioned below.

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective starting from 1 January 2025. Of these, the following developments are relevant to the Group's consolidated financial statements:

Amendments to HKAS 21	The effects of changes in foreign exchange rates – Lack of exchangeability

The Group has assessed the impact of the adoption of the above amendments and considered that there was no significant impact on the Group's results and financial position.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2. SEGMENT INFORMATION

The Group manages its diversified businesses according to the nature of services and products provided. Management has determined four reportable operating segments for measuring performance and allocating resources. The segments are investment properties, development properties, hotel and investment. No operating segments have been aggregated to form the reportable segments.

Investment properties segment primarily entails property leasing and management operations. Currently, the Group's investment properties portfolio, which mainly consists of retail, office and serviced apartments, is primarily located in Hong Kong.

Development properties segment encompasses activities relating to the acquisition of land, development, construction and sales of trading properties, mainly in Mainland China.

Hotel segment includes hotel operations in Hong Kong and Mainland China.

Investment segment represents equity investments in global capital markets.

Management evaluates performance primarily based on operating profit as well as the equity share of results of an associate and a joint venture of each segment. Inter-segment pricing is generally determined on an arm's length basis.

Segment business assets principally comprise all tangible assets and current assets directly attributable to each segment with the exception of bank deposits and cash, derivative financial assets and deferred tax assets.

Revenue and expenses are allocated with reference to revenue generated by those segments and expenses incurred by those segments or which arise from the depreciation and amortisation of assets attributable to those segments.

2. SEGMENT INFORMATION

a. Analysis of segment revenue and results

Six months ended	**Revenue HK$ Million**	**Operating profit/ (loss) HK$ Million**	**Decrease in fair value of investment properties HK$ Million**	**Other net (loss)/ income HK$ Million**	**Finance costs HK$ Million**	**Share of results after tax of an associate HK$ Million**	**(Loss)/ profit before taxation HK$ Million**
30 June 2025							
Investment properties	**5,371**	**4,528**	**(5,150)**	**-**	**(737)**	**-**	**(1,359)**
Development properties	**58**	**(1)**	**-**	**(39)**	**(7)**	**(155)**	**(202)**
Hotel	**766**	**47**	**-**	**-**	**-**	**-**	**47**
Investment	**143**	**143**	**-**	**-**	**(34)**	**-**	**109**
Inter-segment revenue	**(21)**	**-**	**-**	**-**	**-**	**-**	**-**
Segment total	**6,317**	**4,717**	**(5,150)**	**(39)**	**(778)**	**(155)**	**(1,405)**
Others	**90**	**10**	**-**	**(334)**	**(75)**	**-**	**(399)**
Corporate expenses	**-**	**(43)**	**-**	**-**	**-**	**-**	**(43)**
Group total	**6,407**	**4,684**	**(5,150)**	**(373)**	**(853)**	**(155)**	**(1,847)**
30 June 2024							
Investment properties	5,542	4,718	(4,450)	-	(1,034)	-	(766)
Development properties	8	74	-	(1)	(6)	(113)	(46)
Hotel	748	24	-	-	(1)	-	23
Investment	140	140	-	-	(28)	-	112
Inter-segment revenue	(23)	-	-	-	-	-	-
Segment total	6,415	4,956	(4,450)	(1)	(1,069)	(113)	(677)
Others	86	8	-	71	187	-	266
Corporate expenses	-	(49)	-	-	-	-	(49)
Group total	6,501	4,915	(4,450)	70	(882)	(113)	(460)

b. Disaggregation of revenue

	Six months ended 30 June	
	2025	2024
	HK$ Million	HK$ Million
Revenue recognised under HKFRS 15		
Management and services income	**621**	607
Other rental related income	**102**	106
Hotel and club operations	**766**	748
Sale of development properties	**58**	8
	1,547	1,469
Revenue recognised under other accounting standards		
Rental income		
– Fixed	**4,248**	4,352
– Variable	**379**	454
	4,627	4,806
Investment income	**143**	140
Others	**90**	86
	4,860	5,032
Total revenue	**6,407**	6,501

c. Analysis of inter-segment revenue

	Six months ended 30 June					
	2025			2024		
	Total revenue HK$ Million	**Inter-segment revenue HK$ Million**	**Group revenue HK$ Million**	Total revenue HK$ Million	Inter-segment revenue HK$ Million	Group revenue HK$ Million
Investment properties	**5,371**	**(21)**	**5,350**	5,542	(23)	5,519
Development properties	**58**	**-**	**58**	8	-	8
Hotel	**766**	**-**	**766**	748	-	748
Investment	**143**	**-**	**143**	140	-	140
Others	**97**	**(7)**	**90**	90	(4)	86
Group total	**6,435**	**(28)**	**6,407**	6,528	(27)	6,501

d. Geographical information

	Six months ended 30 June			
	Revenue		**Operating profit**	
	2025	2024	**2025**	2024
	HK$ Million	HK$ Million	**HK$ Million**	HK$ Million
Hong Kong	**6,043**	6,194	**4,504**	4,673
Outside Hong Kong	**364**	307	**180**	242
Group total	**6,407**	6,501	**4,684**	4,915

3. OPERATING PROFIT

Operating profit is arrived at:

	Six months ended 30 June	
	2025	2024
	HK$ Million	HK$ Million
After charging:		
Depreciation and amortisation on		
– hotel and club properties, plant and equipment	**109**	112
– leasehold land	**8**	8
Total depreciation and amortisation	**117**	120
Staff cost (Note)	**583**	533
Cost of trading properties for recognised sales	**47**	4
Direct operating expenses of investment properties	**817**	793
After crediting:		
Gross revenue from investment properties	**5,350**	5,519
Interest income	**16**	14
Dividend income from other long-term investments	**143**	140

Note:
Staff costs included defined contribution pension schemes costs of HK$31 million (2024: HK$27 million) and equity settled share-based payment expenses of HK$4 million (2024: HK$7 million).

4. OTHER NET (LOSS)/INCOME

Other net loss for the period amounted to HK$373 million (2024: income of HK$70 million) mainly comprising net foreign exchange loss of HK$332 million (2024: gain of HK$62 million) which included the impact arising from forward foreign exchange contracts.

5. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	HK$ Million	HK$ Million
Interest charged on:		
- Bank loans	**265**	284
- Other borrowings	**484**	758
Total interest charge	**749**	1,042
Other finance costs	**30**	29
	779	1,071
Fair value loss/(gain):		
- Cross currency interest rate swaps	**43**	(134)
- Interest rate swaps	**31**	(55)
	74	(189)
Total	**853**	882

6. INCOME TAX

Taxation charged to the consolidated statement of profit or loss includes:

	Six months ended 30 June	
	2025	2024
	HK$ Million	HK$ Million
Current income tax		
Hong Kong		
- Provision for the period	**595**	585
Outside Hong Kong		
- Provision for the period	**19**	19
- Over-provision in respect of prior years	**-**	(110)
	614	494
Land appreciation tax ("LAT") (Note (c))	**1**	-
Deferred tax		
Origination and reversal of temporary differences	**13**	113
Total	**628**	607

(a) The provision for Hong Kong Profits tax is based on the profit for the period as adjusted for tax purposes at a rate of 16.5% (2024: 16.5%).

(b) Income tax on assessable profits outside Hong Kong is mainly Mainland China corporate income tax calculated at a rate of 25% (2024: 25%), Mainland China withholding tax on dividend at a rate of up to 10% (2024: 10%) and Singapore income tax at a rate of 17% (2024: 17%).

(c) Under the Provisional Regulations on LAT, all gains arising from transfer of real estate property in Mainland China are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds on sales of properties less deductible expenditures including cost of land use rights, borrowings costs and all property development expenditure.

(d) Tax attributable to an associate for the six months ended 30 June 2025 of HK$5 million (2024: credit of HK$3 million) is included in the share of results of an associate.

7. LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders for the period of HK$2,406 million (2024: HK$1,052 million) and 3,036 million ordinary shares in issue during the period (2024: 3,036 million ordinary shares in issue).

There were no dilutive potential ordinary shares in issue during the six months ended 30 June 2025 and 2024.

8. DIVIDENDS ATTRIBUTABLE TO EQUITY SHAREHOLDERS

	Six months ended 30 June			
	2025	**2025**	2024	2024
	HK$	**HK$**	HK$	HK$
	per share	**Million**	per share	Million
First interim dividend declared after the end of the reporting period	**0.66**	**2,004**	0.64	1,943

(a) The first interim dividend based on 3,036 million ordinary shares in issue (2024: 3,036 million ordinary shares in issue) declared after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(b) The second interim dividend of HK$1,822 million for 2024 was approved and paid during the six months ended 30 June 2025.

9. TRADE AND OTHER RECEIVABLES

Included in this item are trade receivables (net of allowance) with an ageing analysis based on the invoice date as follows:

	30 June 2025 HK$ Million	31 December 2024 HK$ Million
Trade receivables		
0 – 30 days	**131**	165
31 – 60 days	**12**	10
61 – 90 days	**7**	7
Over 90 days	**29**	35
	179	217
Other receivables and prepayments	**706**	778
	885	995

The Group has established credit policies for each of its core businesses. The general credit terms allowed range from 0 to 60 days, except for sale of properties from which the proceeds are receivable pursuant to the terms of the agreements. All the trade and other receivables are expected to be recoverable within one year, except for other receivables of HK$166 million (31 December 2024: HK$196 million), which are expected to be utilised or recovered after more than one year.

10. TRADE AND OTHER PAYABLES

Included in this item are trade payables with an ageing analysis based on the invoice date as follows:

	30 June 2025 HK$ Million	31 December 2024 HK$ Million
Trade payables		
0 – 30 days	**63**	72
31 – 60 days	**10**	14
61 – 90 days	**6**	3
Over 90 days	**7**	16
	86	105
Rental and customer deposits	**2,932**	2,962
Construction costs payable	**575**	648
Amount due to an associate	**14**	14
Other payables	**1,425**	1,642
	5,032	5,371

11. REVIEW OF UNAUDITED INTERIM FINANCIAL INFORMATION

The unaudited interim financial information for the six months ended 30 June 2025 has been reviewed with no disagreement by the Audit Committee of the Company.

CORPORATE GOVERNANCE CODE

During the financial period under review, the Company has applied the principles and complied with all the applicable code provisions of the Corporate Governance Code contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, with one exception as regards Code Provision C.2.1 providing for the roles of the chairman and chief executive to be performed by different individuals.

Such deviation is deemed appropriate as it is considered to be more efficient to have one single person to be Chairman of the Company as well as to discharge the executive functions of a chief executive under the Group's corporate structure thereby enabling more effective planning and better execution of long-term strategies. The Board of Directors of the Company (the "Board") believes that the balance of power and authority is adequately ensured by the operations and governance of the Board which comprises experienced and high calibre individuals, with more than half of them being Independent Non-executive Directors.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the financial period under review, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities (including sale of treasury shares) of the Company. As at 30 June 2025 and up to the date hereof, the Company does not hold any treasury shares (whether in the Central Clearing and Settlement System, or otherwise). All treasury shares, if any, held by the Company are not entitled to receive the interim dividend.

RELEVANT DATES FOR INTERIM DIVIDEND

Ex-entitlement date	26 August 2025 (Tue)
Latest time to lodge share transfer	4:30 p.m., 27 August 2025 (Wed)
Record date and time	6:00 p.m., 27 August 2025 (Wed)
Payment date	11 September 2025 (Thu)

In order to qualify for the above-mentioned interim dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Wednesday, 27 August 2025.

By Order of the Board
Wharf Real Estate Investment Company Limited
Kevin C. Y. Hui
Company Secretary

Hong Kong, 7 August 2025

As at the date of this announcement, the Board comprises Mr. Stephen T. H. Ng, Mr. Paul Y. C. Tsui, Ms. Y. T. Leng and Mr. Horace W. C. Lee, together with eight Independent Non-executive Directors, namely Mr. Alexander S. K. Au, Mr. Tak Hay Chau, Ms. Lai Yuen Chiang, Hon. Andrew K. Y. Leung, Mr. Desmond L. P. Liu, Mr. R. Gareth Williams, Dr. Glenn S. Yee and Professor E. K. Yeoh.